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ENTERPRISE **0454/12**

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INSERT **1 hour 30 minutes**

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INFORMATION

- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

This document has **4** pages. Any blank pages are indicated.

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The Visitor Centre

The background

Friends Bibi and Abdool volunteer at a visitor centre in their local national park. The visitor centre is a not-for-profit organisation funded by a government grant. The centre provides facilities and advice, both at no cost to the visitor.

Volunteers at the visitor centre lead visitors around the park for a small payment. The money earned is used to fund improvements to the centre. The centre manager would like to earn more income by offering a wider variety of activities. He asked the volunteers for suggestions.

As Bibi and Abdool were studying Enterprise at school, they believed they had the knowledge and skills to develop a suitable suggestion. They knew that stage one of the enterprise process was to identify the problem. They now needed to complete stage two by exploring creative solutions.

The ideas

Their ideas included:

- a café
- a children's playground
- a souvenir shop
- children's activity sessions.

The friends were convinced that each of these ideas would be popular with visitors. A problem was that the visitor centre had limited capital and each idea would require spending some money.

Abdool and Bibi knew that all the ideas involved risk but they believed that some risks were worth taking. They were also aware that they would need to consider laws and regulations before making a choice.

Abdool suggested they reject both the children's playground and the café ideas as they would be too expensive. Bibi disagreed. She thought that by being more creative, they may be able to find ways to keep costs low. The friends decided to research two suggestions each and meet again to share their findings.

The research

Abdool researched the café and souvenir shop ideas. He browsed the websites of other visitor centres. Many of the centres did not have a café but provided vending machines where visitors could buy food. Abdool thought a vending machine could earn money to fund the improvements at the visitor centre. He decided to contact vending machine suppliers to find out the cost of buying or leasing a machine. Abdool decided not to complete any further research and so he rejected the shop idea.

Bibi also used the internet to research children's activities and playgrounds. She quickly realised that Abdool was right. Buying safe playground equipment would be very expensive due to the many health and safety regulations. However, Bibi discovered that activity sessions for children would be cheap to organise. She thought that art and craft sessions would be popular, low-cost events. The only cost would be the purchase of the arts materials.

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The meeting

Abdool and Bibi met to share their research findings. Abdool had compared the costs of buying or leasing a food and drinks vending machine. The costs are shown in Table 1.

Table 1

Option 1: Leasing a vending machine		**Option 2: Buying a vending machine**	
Cost	**$**	**Cost**	**$**
Rent including insurance	80.00 each month	Machine	3500.00
		Insurance	10.00 each month
Restocking cost for each food and drink item is $ 0.50			

Bibi estimated that the arts materials would cost $ 0.50 for each child.

The decision

Abdool and Bibi decided to suggest children's activity sessions and a vending machine to the centre manager. They now needed evidence to show how popular these ideas would be with visitors. Abdool thought that the manager would want to see how much work would be involved in organising each of the suggestions. Bibi said that they should also consider how to raise awareness of these new activities with visitors.

Abdool said that they should each produce an action plan for their chosen idea. Bibi disagreed and said that they needed to produce a business plan. However, they both agreed the ideas were not yet ready to be presented to the centre manager.

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